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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-78-08

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**IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

**and**

**An Application by British Columbia Hydro and Power Authority  
for Review of the F2009 and F2010 Revenue Requirements Application**

**BEFORE:** R.H. Hobbs, Chair April 30, 2008

**O R D E R**

**WHEREAS:**

- A. British Columbia Hydro and Power Authority ("BC Hydro") filed on February 20, 2008, pursuant to sections 58 to 61 of the Utilities Commission Act ("the Act"), its F2009 and F2010 Revenue Requirements application for, among other things, approval of across-the-board rate increases of 6.56 percent and 8.21 percent, effective April 1, 2008 and April 1, 2009, respectively, and approval of a reduction of the Deferral Account Rate Rider from 2.0 percent to 0.5 percent, effective April 1, 2008 (the "F09/F10 RRA" or "Application"); and
- B. The Application also seeks refundable interim relief pursuant to sections 58 to 61 and section 90 of the Act to allow BC Hydro to increase its rates by 6.56 percent on an across-the-board basis and to decrease its Deferral Account Rate Rider from 2.0 percent to 0.5 percent, both effective April 1, 2008, pending a full hearing into the F09/F10 RRA and orders subsequent to that hearing, on the basis that on April 1, 2008 BC Hydro's current rates would otherwise no longer be fair, just, sufficient and not unduly discriminatory; and
- C. On February 22, 2008 the Commission issued Letter No. L-5-08 that included establishing the regulatory process and timetable for the F09/F10 RRA and the Transmission Service Rate Re-pricing Application ("TSR Re-pricing Application") and for parties to address, by written submission, the BC Hydro request to implement interim rates effective April 1, 2008; and
- D. On February 25, 2008 the Commission issued Order No. G-21-08 establishing the Regulatory Timetable for the F09/F10 RRA. The Regulatory Timetable included a Workshop on March 6, 2008, Commission and Intervenor Information Requests, Responses by BC Hydro, and a Procedural Conference on April 28, 2008. The Procedural Conference was to consider further process for the F09/F10 RRA, TSR Re-pricing Application, and Residential Inclining Block ("RIB") Application; and

- E. On February 28, 2008 the Commission issued Order No. G-28-08 that included a Notice of Applications; and
- F. On March 14, 2008 the Commission issued Order No. G-40-08 that approved interim refundable rate changes for the 6.56 percent across-the-board rate increase and the decrease in BC Hydro's Deferral Account Rate Rider, from 2.0 percent to 0.5 percent, both effective April 1, 2008; and
- G. On April 22, 2008 the Commission issued a draft agenda for the Procedural Conference. Subsequently, on April 25, 2008 Commission staff issued proposed regulatory timetables for the F09/F10 RRA, TSR Re-pricing Application, and the RIB Application; and
- H. At the April 28, 2008 Procedural Conference BC Hydro presented a "Strawman Regulatory Timetable" that coordinated the three applications. For the F09/F10 RRA, BC Hydro proposed a regulatory timetable that included a Negotiated Settlement Process ("NSP"). BC Hydro also proposed an Oral Public Hearing commencing on Monday, October 6, 2008 for issues not resolved in the NSP. BC Hydro also proposed a Pre-hearing Conference one week before the commencement of the Oral Public Hearing; and
- I. At the Procedural Conference BC Hydro proposed that all issues arising from the F09/F10 RRA, except for Demand Side Management ("DSM") issues, should be included within the scope of the NSP. BC Hydro is of the view that DSM expenditures during the test period are more appropriately addressed in the context of the Long-Term Acquisition Plan ("LTAP") proceeding, and that the anticipated demand response to those expenditures should also be resolved in the LTAP proceeding. In addition, BC Hydro is also of the view that the appropriate amortization period for DSM expenditures are also more appropriately addressed in the context of the LTAP proceeding; and
- J. All the Intervenor in attendance were supportive of or did not take a position on the BC Hydro proposed regulatory timetable for the F09/F10 RRA except for the City of New Westminster; and
- K. The Commission has reviewed BC Hydro's proposed regulatory timetable and the views of the Intervenor and concludes that an NSP for review of the F09/F10 RRA is appropriate.

**NOW THEREFORE** the Commission orders as follows:

1. The F09/F10 RRA will be the subject of a NSP to commence on Monday, August 18, 2008 at 9:00 a.m.
2. In the event that a NSP does not conclude with an agreement on all issues within the scope of the NSP, then a Pre-hearing Conference will commence on Monday, September 29, 2008 at 9:00 a.m. and an Oral Public Hearing will commence on Monday, October 6, 2008 at 9:00 a.m. The NSP, the Pre-hearing Conference and the Oral Public Hearing will be held in the Commission Hearing Room on the Twelfth Floor, 1125 Howe Street, Vancouver, B.C.

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3. The scope of the NSP will include all issues arising from the F09/F10 RRA, except for DSM issues including DSM expenditures during the test period, the anticipated demand response to those expenditures, and the appropriate amortization period for DSM expenditures. The revenue implications of the TSR Re-pricing Application are to be included within the scope of the NSP.
4. The Regulatory Timetable to complete the review of the F09/F10 RRA is established as set out in Appendix A to this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 30<sup>th</sup> day of April 2008.

BY ORDER

*Original signed by:*

Robert H. Hobbs  
Chair

Attachment

An Application by British Columbia Hydro and Power Authority (“BC Hydro”)  
for Review of the F2009 and F2010 Revenue Requirements Application (“F09/F10 RRA”)

**REGULATORY TIMETABLE**

<b>ACTION</b>	<b>DATE (2008)</b>
Deadline for Participant Assistance/Cost Award submission of Budget Estimate	Monday, May 12
BCUC Information Request (“IR”) No. 2	Friday, May 16
Intervenor IR No. 2	Wednesday, May 21
BC Hydro Responses to BCUC and Intervenor IR No. 2	Thursday, June 26
BC Hydro Evidentiary Update on F09/F10 RRA	Monday, June 30
BCUC and Intervenor IR No. 3 on Evidentiary Update	Tuesday, July 8
BC Hydro Responses to IR No. 3 on Evidentiary Update	Tuesday, July 22
Intervenor Evidence	Tuesday, July 29
BCUC and Participant IR No. 1 on Intervenor Evidence	Wednesday, August 6
Intervenor Evidence Responses to BCUC and Participant IR No. 1 on Intervenor Evidence	Wednesday, August 13
Negotiated Settlement Process	Monday, August 18 – Friday, August 22
Sign-off Date on Negotiated Settlement, if applicable	Friday, September 19
Pre-hearing Conference (if necessary)	Monday, September 29
Oral Public Hearing commences (if necessary)	Monday, October 6